

COUNTRY PROFILE: GHANA



Official name: Republic of Ghana

OVERVIEW

Geography

Area: 238,538 sq. km. (92,100 sq. mi.); about the size of Illinois and Indiana combined.

Cities: *Capital*--Accra (metropolitan area pop. 3 million est.).

Terrain: Plains and scrubland, rainforest, savanna.

Ghana is located on West Africa's Gulf of Guinea only a few degrees north of the Equator. The climate is tropical. There are two distinct rainy seasons in the south--May-June and August-September; in the north, the rainy seasons tend to merge.

Volta Lake, the largest manmade lake in the world, extends from the Akosombo Dam in southeastern Ghana to the town of Yapei, 520 kilometers (325 mi.) to the north.

The lake generates electricity, provides inland transportation, and is a potentially valuable resource for irrigation and fish farming.

People



Nationality: Ghanaian(s).

Population (2005 est.): 22 million.

Annual growth rate (2004 est.): 2.7%.

Ethnic groups: Akan, Ewe, Ga, Moshi-Dagomba.

Religions: Christian 69%, Muslim 15.6%, traditional and indigenous beliefs 8.5%.

Languages: English (official), Akan

Education: *Years compulsory*--9. *Literacy*--72.6%.

Work force (11.1 million): *Agriculture and fishing*--47.9%; *industry and transport*--16.2%; *sales and clerical*--19.3%; *services*--5.9%; *professional*--8.9%; *other*--1.8%.

Ghana's population is concentrated along the coast and in the principal cities of Accra and Kumasi. Ethnically, Ghana is divided into small groups speaking more than 50 languages and dialects. Among the more important linguistic groups are the Akans, which include the Fantis along the coast and the Ashantis in the forest region north of the coast; the Guans, on the plains of the Volta River; the Ga- and Ewe-speaking peoples of the south

and southeast; and the Moshi-Dagomba-speaking tribes of the northern and upper regions.

History

The Gold Coast was renamed Ghana upon independence in 1957 because of indications that present-day inhabitants descended from migrants who moved south from the ancient kingdom of Ghana. The first contact between Europe and the Gold Coast dates from 1470, when a party of Portuguese landed.

In 1482, the Portuguese built Elmina Castle as a permanent trading base. Thomas Windham made the first recorded English trading voyage to the coast in 1553. During the next three centuries, the English, Danes, Dutch, Germans, and Portuguese controlled various parts of the coastal areas.

In 1821, the British Government took control of the British trading forts on the Gold Coast. In 1844, Fanti chiefs in the area signed an agreement with the British that became the legal steppingstone to colonial status for the coastal area.



From 1826 to 1900, the British fought a series of campaigns against the Ashantis, whose kingdom was located inland. In 1902, they succeeded in establishing firm control over the Ashanti region and making the northern territories a protectorate. British Togoland, the fourth territorial element eventually to form the nation, was part of a former German colony administered by the United Kingdom from Accra as a League of Nations mandate after 1922. In December 1946, British Togoland became a UN Trust Territory, and in 1957, following a 1956 plebiscite, the United Nations agreed that the territory would become part of Ghana when the Gold Coast achieved independence.

The four territorial divisions were administered separately until 1946, when the British Government ruled them as a single unit. In 1951, a constitution was promulgated that called for a greatly enlarged legislature composed principally of members elected by popular vote directly or indirectly. A new constitution, approved on April 29, 1954, established a cabinet comprising African ministers drawn from an all-African legislature chosen by direct election. In the elections that followed, the Convention People's Party (CPP), led by Kwame Nkrumah, won the majority of seats in the new Legisla-

COUNTRY PROFILE: GHANA



tive Assembly.

In May 1956, Prime Minister Nkrumah's Gold Coast government issued a white paper containing proposals for Gold Coast independence. The British Government stated it would agree to a firm date for independence if a reasonable majority for such a step were obtained in the Gold Coast Legislative Assembly after a general election.

This election, held in 1956, returned the CPP to power with 71 of the 104 seats in the Legislative Assembly. Ghana became an independent state on March 6, 1957, when the United Kingdom relinquished its control over the Colony of the Gold Coast and Ashanti, the Northern Territories Protectorate, and British Togoland. In subsequent reorganizations, the country was divided into 10 regions, which currently are subdivided into 138 districts.

GOVERNMENT

Politics

Type: Democracy.

Independence: March 6, 1957.

Constitution: Entered into force January 7, 1993.

Branches: *Executive*--president popularly elected for a maximum of two 4-year terms; Council of State, a presidential appointed consultative body of 25 members required by the constitution. *Legislative*--unicameral Parliament popularly elected for 4-year terms. *Judicial*--independent Supreme Court justices nominated by president with approval of Parliament.

Subdivisions: Ten regions.

Political parties: New Patriotic Party, National Democratic Congress, Convention People Party, People's National Convention, others.

Suffrage: Universal at 18.

The 1993 constitution that established the Fourth Republic provided a basic charter for the republican democratic government. It declares Ghana to be a unitary republic with sovereignty residing in the Ghanaian people. The constitution calls for a system of checks and balances, with power shared between a president, a unicameral parliament, an advisory Council of State, and an independent judiciary.



Executive authority is established in the Office of the Presidency, together with his Council of State. The president is head of state, head of government, and commander in chief of the armed forces. He also appoints the vice president. According to the constitution, more than half of the presidential-appointed ministers of state must be appointed from among members of Parliament.

Legislative functions are vested in Parliament, which consists of a unicameral 230-member body plus the Speaker. To become law, legislation must have the assent of the president, who has a qualified veto over all bills except those to which a vote of urgency is attached. Members of Parliament are popularly elected by universal adult suffrage for terms of 4 years, except in wartime, when terms may be extended for not more than 12 months at a time beyond the 4 years.

The structure and the power of the judiciary are independent of the two other branches of government. The Supreme Court has broad powers of judicial review. It is authorized by the constitution to rule on the constitutionality of any legislation or executive action at the request of any aggrieved citizen. The hierarchy of courts derives largely from British juridical forms. The hierarchy, called the Superior Court of Judicature, is composed of the Supreme Court of Ghana, the Court of Appeal, the High Court of Justice, regional tribunals, and such lower courts or tribunals as Parliament may establish. The courts have jurisdiction over all civil and criminal matters.



Principal Government Officials

(Current list as of August 1, 2005)

President--John Agyekum Kufuor

Vice President--Alhaji Mahama Aliu

Senior Minister--Joseph Henry (J.H.)

Mensah

Minister of Foreign Affairs--Nana Akufo-Addo

Minister of Defense--Kwame Addo-Kufuor

Minister of Finance and Economic Planning--Kwadwo Baah-Wiredu

Minister of Trade & Industry--Alan Kyerematen

Minister of Justice and Attorney General--Ayikoi Otoo

Minister of Works and Housing--Hackman Owusu-Agyeman

Minister of Information--Daniel Botwe

Minister of Manpower Development, Youth and Employment--Joseph K. Adda

Minister of Communications--Albert Kan-Dapaah

Minister of Environment, Science & Technology--Christine Churcher

COUNTRY PROFILE: GHANA



Minister of Health--Courage E.K. Quashigah
Minister of Local Government & Rural Development--Charles Bintim
Minister of Road Transport--Richard Winfred Anane
Minister of Harbors and Railways--Christopher Ameyaw-Akumfi
Minister of Private Sector Development and Special Presidential Initiatives--Kwamena Bartels
Minister of Tourism and Modernization of the Capital City--Jake Obetsebi-Lamptey
Minister of Women and Children's Affairs--Alima Mahama

Regional Ministers

Greater Accra Region--Ibrahim C. Quaye
Chief Justice of the Supreme Court--Justice George Acquah
Speaker of Parliament--Ebenezer Begyina Sekyi Hughes
First Deputy Speaker--Freddie Blay
Minority Leader--Alban Bagbin
Majority Leader--Hon. Felix Owusu-Adjapong
Ambassador to the United States--Fritz Kwabena Poku
Permanent Representative to the United Nations--Nana Effah-Apenteng

Ghana maintains an embassy in the United States at 3512 International Drive, NW, Washington, DC 20008 (202-686-4500). Its permanent mission to the United Nations is located at 19 E. 47th Street, New York, NY 10017 (212-832-1300).

ECONOMY

GDP (2004): \$8.7 billion.
Real GDP growth rate (2004): 5.8%.
Per capita GDP (2004): \$395.
Inflation rate (2004): 12.6%.
Natural resources: Gold, timber, diamonds, bauxite, manganese, fish.
Agriculture: *Products*--cocoa, coconuts, coffee, pineapples, cashews, pepper, other food crops, rubber. *Land*--70% arable and forested.
Business and industry: *Types*--mining, lumber, light manufacturing, fishing, aluminum, tourism.
Trade (2003): *Exports*--\$2.5 billion: cocoa (\$818 million), aluminum, gold, timber, diamonds, manganese. *Imports*--\$3.3 billion: petroleum (\$563 million), food, industrial raw materials, machinery, equipment. *Major trade partners*--U.K., Germany, U.S., Nigeria, Togo, France, Netherlands, Spain.
Fiscal year: Calendar year.

The country is mainly agricultural, however, with a majority of its workers engaged in farming. Cash crops consist primarily of cocoa and cocoa products, which typically

provide about two-thirds of export revenue, timber products, coconuts and other palm products, shea nuts (which produce an edible fat), and coffee. Ghana also has established a successful program of nontraditional agricultural products for export including pineapples, cashews, and pepper. Minerals--principally gold, diamonds, manganese ore, and bauxite--are produced and exported. Exploration for oil and gas resources is ongoing.

Ghana's industrial base is relatively advanced compared to many other African countries. Industries include textiles, steel (using scrap), tires, oil refining, flour milling, beverages, tobacco, simple consumer goods, and car, truck, and bus assembly. Tourism has become one of Ghana's largest foreign income earners (ranking third in 2003 at \$600 million), and the Ghanaian Government has placed great emphasis on further tourism support and development.

Economic Development

At independence, Ghana had a substantial physical and social infrastructure and \$481 million in foreign reserves. The Nkrumah government further developed the infrastructure and made important public investments in the industrial sector. With assistance from the United States, the World Bank, and the United Kingdom, construction of the Akosombo Dam was completed on the Volta River in 1966. Two U.S. companies built Valco, Africa's largest aluminum smelter, to use power generated at the dam. Aluminum exports from Valco used to be a major source of foreign exchange for Ghana. The plant, which closed for production in May 2003, was sold to the Government of Ghana in October 2004, and subsequently reopened on a reduced scale in September 2005.

Many Nkrumah-era investments were monumental public works projects and poorly conceived, badly managed agricultural and industrial schemes. By the mid-1960s, Ghana's reserves were gone, and the country could not meet repayment schedules. The National Liberation Council responded by abandoning unprofitable projects and selling some inefficient state-owned enterprises to private investors. Led by the United States, foreign donors provided import loans to enable the foreign exchange-strapped government to import essential commodities.

Prime Minister Busia's government (1969-72) liberalized controls to attract foreign investment and to en-



COUNTRY PROFILE: GHANA



courage domestic entrepreneurship. Despite considerable foreign assistance and some debt relief, the Busia regime also was unable to overcome the inherited restraints on growth posed by the debt burden, balance-of-payments imbalances, foreign exchange shortages, and mismanagement. The economy stagnated in the 10-year period preceding the NRC takeover in 1972.

To restructure the economy, the NRC, under General Acheampong (1972-78), undertook an austerity program that emphasized self-reliance, particularly in food production. The NRC, which had inherited foreign debts of almost \$1 billion, abrogated existing rescheduling arrangements for some debts and rejected other repayments. After creditors objected to this unilateral action, a 1974 agreement rescheduled the medium-term debt on liberal terms.

The post-July 1978 military regime led by General Akuffo attempted to deal with Ghana's economic problems by making small changes in the overvalued cedi and by restraining government spending and monetary growth. Under a one-year standby agreement with the International Monetary Fund (IMF) in January 1979, the government promised to undertake economic reforms, including a reduction of the budget deficit, in return for a \$68 million IMF support program and \$27 million in IMF Trust Fund loans. The agreement became inoperative, however, after the June 4 coup that brought Flight Lieutenant Rawlings and the AFRC to power for 4 months.

By 1982, oil would constitute half of Ghana's imports, while overall trade contracted greatly. Internal transport had slowed to a crawl, and inflation remained high. Economic conditions deteriorated further in early 1983 when Nigeria expelled an estimated 1 million Ghanaians who had to be absorbed by Ghana.

In April 1983, in coordination with the IMF, the PNDC launched an economic recovery program, perhaps the most stringent and consistent of its day in Africa, aimed at reopening infrastructure bottlenecks and reviving moribund productive sectors--agriculture, mining, and timber. The economy's response to these reforms was initially hampered by the absorption of 1 million returnees from Nigeria, compounded by the decline of foreign aid and the onset of the worst drought since independence, which brought on widespread bushfires and forced closure of the aluminum smelter and severe power cuts for industry. In 1985, the country absorbed an additional 100,000 expellees from Nigeria. During 1984-88 the economy ex-

perienced solid growth for the first time since 1978. Renewed exports, aid inflows, and a foreign exchange auction eased hard currency constraints.

Ghana opted to seek debt relief under the Heavily Indebted Poor Country (HIPC) program in March 2001 and reached decision point in February 2002. Ghana reached HIPC completion point in July 2004 and total relief from all of Ghana's creditors will be approximately \$3.5 billion over 20 years. The Government of Ghana, working with multilateral lending institutions, developed a detailed plan to use funds made available through debt relief under the enhanced HIPC Initiative for increased expenditures on education and health programs to improve services and infrastructure in the rural sector, and improved governance. A portion of the relief will be used to further reduce the heavy burden of domestic public debt.

Ghana stated goals are to accelerate economic growth, improve the quality of life for all Ghanaians, and reduce poverty through macroeconomic stability, higher private investment, broad-based social and rural development, as well as direct poverty-alleviation efforts. These plans are fully supported by the international donor community. Privatization of state-owned enterprises continues, with over 300 of about 350 parastatal enterprises sold to private owners. Other reforms adopted under the government's structural adjustment program include the elimination of exchange rate controls and the lifting of virtually all restrictions on imports. The establishment of an interbank foreign exchange market has greatly expanded access to foreign exchange.



FOREIGN RELATIONS

Ghana is active in the United Nations and many of its specialized agencies, as well as the World Trade Organization, the Nonaligned Movement, the African Union (AU), and the Economic Community of West African States (ECOWAS). Generally, Ghana follows the consensus of the Nonaligned Movement and the AU on economic and political issues that do not directly affect its own interests. Ghana plays an increasingly active role in sub-regional affairs.

In February 2002, Ghana former Deputy Foreign Minister, Mohammed Ibn Chambas, assumed the office of ECOWAS Executive Secretary. In February 2003, President Kufuor became the Chairperson of

COUNTRY PROFILE: GHANA



ECOWAS heads of state, taking on a strong role in the Cote d'Ivoire and Liberian peace and reconciliation processes. Kufuor was reelected to a second year in December 2003. His tenure expired in January 2005. Ghana took a seat on the UN Security Council in January, 2006.

Ghana has been extremely active in international peacekeeping activities under UN auspices in Lebanon, Afghanistan, Rwanda, the Balkans, and Pakistan, in addition to an 8-year sub-regional initiative with its ECOWAS partners to develop and then enforce a cease-fire in Liberia. Ghana has current deployments to Cote d'Ivoire, Liberia, Sierra Leone, Lebanon and Congo with numerous small troop deployments in the role of UN observers in many other crisis locations around the world. Additionally, Ghana sent some troops to a French-sponsored RECAMP Exercise in Benin, clearly highlighting the key role that peacekeeping operations have in the Ghana Armed Forces. Ghana maintains friendly relations with all states, regardless of ideology.

U.S.-Ghanaian Relations

The United States has enjoyed good relations with Ghana at a nonofficial, personal level since Ghana's independence. After a period of strained relations in the mid-1980s, U.S.-Ghanaian official relations are stronger than at any other time in recent memory. Thousands of Ghanaians have been educated in the United States. Close relations are maintained between educational and scientific institutions, and cultural links, particularly between Ghanaians and African-Americans, are strong.

The U.S. and Ghanaian militaries have cooperated in numerous joint training exercises, culminating with Ghanaian participation in the African Crisis Response Initiative, an international activity in which the U.S. facilitates the development of an interoperable peacekeeping capacity among African nations. U.S.-Ghanaian military cooperation continues under the new African Contingency Operations Training and Assistance program; Ghana was one of the first militaries to receive ACOTA training in early 2003. In addition, there is an active bilateral International Military Education and Training program.

The United States is among Ghana's principal trading partners. The Office of the President of Ghana worked closely with the U.S. Embassy in Accra to establish an American Chamber of Commerce to continue to develop closer economic ties in the private sector. Major U.S. companies operating in the country include ACS, CMS Energy, ExxonMobil, Coca Cola, S.C. Johnson, Ralston Purina,

Star-Kist, A.H. Robins, Sterling, Pfizer, IBM, 3M, Motorola, Stewart & Stevenson, PriceWaterhouseCoopers, and National Cash Register (NCR). Several U.S. firms recently made or are considering investments in Ghana, primarily in gold mining, wood products, and petroleum.

U.S. development assistance to Ghana in fiscal year 2005 totaled more than \$50 million, divided between small business enterprise, health, education, and democracy/governance programs. Ghana was the first country in the world to accept Peace Corps volunteers, and the program remains one of the largest. Currently, there are more than 150 volunteers in Ghana. Ghana is a Millennium Challenge Account-eligible country. The government of Ghana and the Millennium Challenge Corporation currently are negotiating signature of a \$517 million Compact focusing on agro-business expansion.

Principal U.S. Officials

Ambassador--Pamela E. Bridgewater

Deputy Chief of Mission--Jerry Lanier

Director, USAID Mission--Sharon Cromer

Defense Attaché--Lt. Col. Thomas Bruce

Foreign Commercial Service--Diane Jones

Public Affairs Officer--Mary Johnson

Political Counselor--Scott Ticknor

Economic Counselor--Chris Landberg

Management Counselor--Judith Francis

Consul--Nan Stewart

Deputy Consul--Simon Hankinson



The U.S. Embassy is located on Ring Road East, near Danquah Circle, Accra (tel. 233-21-775347/8/9). The mailing address is P.O. Box 194, Accra, Ghana.

For American citizen services and visa questions, the Embassy consular section telephone number is 233-21-776602.

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